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Tobacco-Livestock Farming

BLUEGRASS AREA OF KENTUCKY

Costs and Returns, 1954

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TUCKY AGRICULTURAL EXPERIMENT STATION
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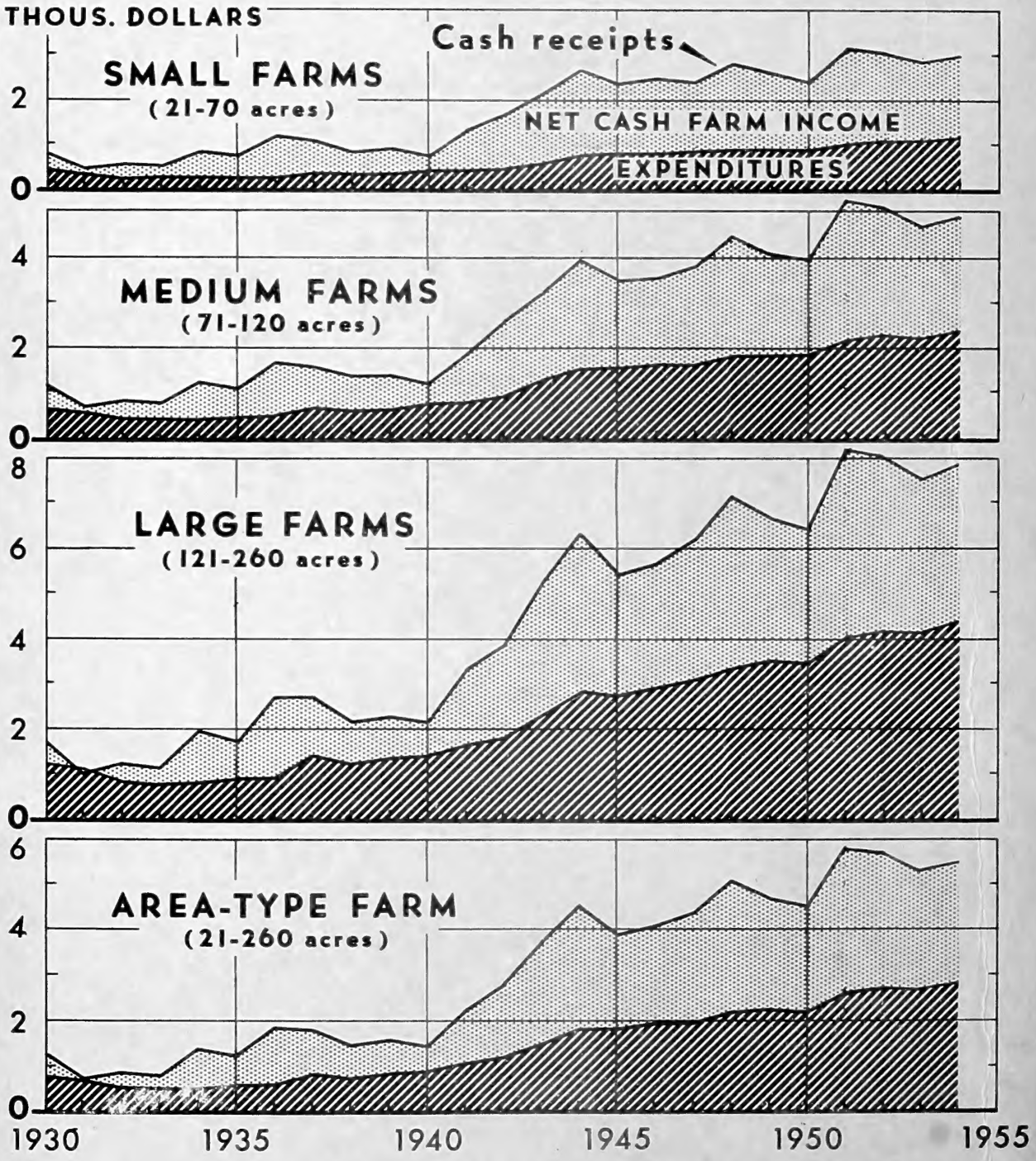
CASH RECEIPTS, CASH EXPENDITURES AND NET CASH FARM INCOME

Family-Operated Tobacco-Livestock Farms, Kentucky Bluegrass Area



U. S. DEPARTMENT OF AGRICULTURE

NEG. 55(6)-186 AGRICULTURAL RESEARCH SERVICE

TOBACCO-LIVESTOCK FARMING, BLUEGRASS AREA OF KENTUCKY; FARM COSTS AND RETURNS, 1954

By Erling Hole, Production Economics Research Branch, Agricultural Research Service, and John H. Bondurant, Department of Agricultural Economics, Kentucky Agricultural Experiment Station

Net cash farm income on commercial family-operated tobacco-livestock farms in the Bluegrass area of Kentucky increased moderately from 1953 to 1954. Cash receipts increased 4 percent and cash expenditures were a record high in 1954.

In 1954 net farm income (net cash income, plus value of perquisites and changes in inventories) averaged approximately $2,375 for small commercial family-operated tobacco-livestock farms, $3,205 for medium-sized farms, and $4,385 for large farms. It averaged about $3,440 for all commercial family-operated tobacco-livestock farms. These returns were virtually the same as in 1953, but they were about 3 percent greater than in 1947-49 and nearly 3 times the average for 1937-41 (tables 1-4).

Production of Burley tobacco set a new record in 1954, because of record high yields. Yield per acre, averaging 1,670 pounds, was 290 pounds higher than in 1953. Production was about 14 percent larger although the acreage harvested was smaller. Prices received for Burley tobacco averaged 3 cents a pound lower than in 1953. As a result, receipts from the sale of tobacco in 1954 averaged about $4,015 per farm compared with $3,750 in 1953. Prices received for livestock, except hogs, and livestock products were lower than in 1953. The ratio of prices received for products sold to prices paid, including wages to hired labor (1947-49 = 100) was 81 for area-type farms in 1954 as compared with 89 in 1953.

Total cash production expenditures per farm were higher in 1954 than in 1953 for all groups of items except farm buildings. In 1954 wage rates paid for hired labor averaged about 56 cents an hour, and estimated net cash returns of croppers for labor performed averaged 61 cents an hour. Total cost per unit of production in 1954 was lower than in 1953, mainly because farm production was larger in 1954.

Returns per hour for operator and family labor and management averaged 73 cents on small farms, 77 cents on medium-sized farms, 84 cents on large farms, and 78 cents on average commercial family-operated farms. These returns were nearly the same as in 1953. They were about 10 percent smaller than in 1947-49, but they were more than 3 times the returns in 1937-41.

1/ Information for earlier years on these farms is available in Kentucky Agr. Expt. Sta. Bul. 544, Farming in the Bluegrass Area of Kentucky, December 1949; U. S. Bur. Agr. Econ. F. M. 94, Farm Costs and Returns, 1951, with Comparisons, Commercial Family-Operated Tobacco-Livestock Farms, Bluegrass Area of Kentucky, May 1952; and U. S. Prod. Econ. Res. Br., ARS, PERB 2, Farm Costs and Returns 1953, with Comparisons, Commercial Family-Operated Tobacco-Livestock Farms, Bluegrass Area of Kentucky, June 1954.

Table 1.- Small tobacco-livestock farms, Kentucky Bluegrass: Organization, production, costs, and returns, 1954 with comparisons

Item	Unit	Average		1951	1952	1953	1954 1/
		1937-41	1947-49				
Land in farm	Acre	50	50	50	50	50	50
Cropland harvested	do.	16	16	16	17	16	16
Plowable pasture	do.	25	24	24	23	24	23
Other land	do.	9	10	10	10	10	11
Crops harvested:							
Tobacco	Acre	3.3	3.1	3.2	3.2	3.0	2.8
Corn	do.	4.5	3.5	3.4	3.3	3.2	3.4
Small grain	do.	2.5	1.4	1.1	1.3	1.5	1.5
Hay	do.	5.7	8.4	8.2	8.8	8.2	7.9
Crop yields per harvested acre:							
Tobacco	Pound	964	1,226	1,371	1,382	1,315	1,606
Corn	Bushel	34.6	43.3	39.5	39.0	43.0	37.0
Wheat	do.	16.4	18.3	16.0	21.0	22.0	25.0
Hay	Ton	1.3	1.5	1.4	1.4	1.5	1.6
Livestock on farms, January 1:							
All cattle	Number	4.6	5.2	5.3	5.1	5.5	5.6
Milk cows	do.	3.1	3.2	3.3	3.2	3.1	3.2
Sheep and lambs	do.	6.9	5.4	5.6	5.5	5.3	5.2
Chickens	do.	45	44	43	44	42	41
Horses and mules	do.	2.4	2.1	1.7	1.7	1.6	1.5
Pigs raised	do.	6.8	8.5	8.5	7.3	6.9	7.4
Tractors on farm	Number	.04	.15	.23	.25	.27	.28
Total labor used	Hour	2,950	2,710	2,630	2,620	2,510	2,540
Operator and family	do.	2,770	2,600	2,560	2,560	2,450	2,480
Hired	do.	180	110	70	60	60	60
Total farm capital, January 1	Dollar	4,730	9,190	11,010	11,990	11,520	10,870
Land and buildings	do.	3,790	7,150	8,550	9,350	9,000	8,600
Machinery and equipment	do.	260	480	680	790	860	930
Livestock	do.	520	1,140	1,280	1,380	1,120	860
Crops for sale, feed and seed	do.	160	420	500	470	540	480
Total cash receipts	Dollar	976	2,612	3,194	3,070	2,857	2,960
Tobacco	do.	641	1,772	2,129	2,239	2,060	2,204
Livestock	do.	163	482	624	416	399	412
Livestock products	do.	116	330	414	392	378	322
Other, including Government payments	do.	56	28	27	23	20	22
Total cash expenditures	Dollar	365	898	1,058	1,136	1,123	1,185
Feed purchased	do.	45	163	158	176	127	157
Livestock expense	do.	16	35	38	38	36	38
Crop expense	do.	52	173	215	232	253	266
Machinery	do.	103	259	362	398	411	428
Farm buildings and fences	do.	58	100	108	112	110	102
Hired labor	do.	27	54	38	34	34	36
General farm and miscellaneous	do.	64	114	139	146	152	158
Net cash farm income	Dollar	611	1,714	2,136	1,934	1,734	1,775
Value of perquisites	do.	230	554	587	604	584	567
Change in inventory:							
Crops and livestock	Dollar	36	10	-158	44	-4	-13
Machinery and buildings	do.	18	54	83	88	69	46
Net farm income	Dollar	895	2,332	2,648	2,670	2,383	2,375
Charge for capital	Dollar	225	446	562	616	604	568
Return to operator and family labor	Dollar	670	1,886	2,086	2,054	1,779	1,807
Purchasing power in 1937-41 dollars	do.	670	960	966	942	820	818
Return per hour in current dollars	do.	.24	.73	.81	.80	.73	.73
Index numbers (1947-49=100):							
Gross farm income	Percent	39	100	114	117	108	111
Net farm income	do.	38	100	114	114	102	102
Net farm production	do.	89	100	107	109	102	112
Crop yields per acre	do.	80	100	107	108	105	123
Production per hour of man labor	do.	82	100	111	113	111	119
Production per unit of input	do.	90	100	104	106	101	108
Operating expense per unit of production	do.	47	100	108	115	123	121
Total cost per unit of production	do.	47	100	107	110	118	112
Power and machinery, January 1	do.	83	100	113	126	138	146
Prices received for products sold	do.	43	100	108	108	107	99
Prices paid, including wages to hired labor	do.	50	100	114	116	115	116

1/ Preliminary.

Table 2.- Medium tobacco-livestock farms, Kentucky Bluegrass: Organization, production, costs, and returns, 1954 with comparisons

Item	Unit	Average		1951	1952	1953	1954 1/
		1937-41	1947-49				
Land in farm	Acre	95	95	95	95	95	95
Cropland harvested	do.	24	26	26	27	26	26
Plowable pasture	do.	47	45	44	43	44	43
Other land	do.	24	24	25	25	25	26
Crops harvested:							
Tobacco	Acre	4.7	4.8	5.0	5.0	4.6	4.4
Corn	do.	6.9	6.0	5.7	5.9	5.7	6.0
Small grain	do.	3.2	2.1	1.9	2.3	2.7	2.8
Hay	do.	9.4	13.3	13.3	13.8	13.1	12.6
Crop yields per harvested acre:							
Tobacco	Pound	982	1,248	1,396	1,408	1,365	1,626
Corn	Bushel	34.6	43.8	41.0	40.0	44.0	38.0
Wheat	do.	16.4	18.3	16.0	21.0	22.0	25.0
Hay	Ton	1.3	1.5	1.3	1.3	1.5	1.6
Livestock on farms, January 1:							
All cattle	Number	6.8	9.9	11.0	11.3	12.3	12.5
Milk cows	do.	3.7	5.2	5.4	5.2	5.1	5.3
Beef cows	do.	.6	1.6	2.0	2.3	2.5	2.7
Sheep and lambs	do.	20.8	9.8	10.2	10.1	10.0	9.8
Chickens	do.	51	49	48	49	48	47
Horses and mules	do.	2.9	2.5	2.0	2.0	1.9	1.8
Pigs raised	do.	10.8	10.4	11.4	9.9	9.0	10.2
Tractors on farm	do.	.04	.22	.32	.35	.37	.39
Total labor used	Hour	4,060	3,960	3,900	3,890	3,710	3,820
Operator and family	do.	2,910	2,850	2,850	2,900	2,770	2,860
Hired	do.	640	540	480	470	440	440
Cropper	do.	510	570	570	520	500	520
Total farm capital, January 1	Dollar	8,070	15,900	19,510	21,360	20,490	19,210
Land and buildings	do.	6,670	12,540	15,200	16,620	15,960	15,200
Machinery and equipment	do.	370	850	1,210	1,430	1,570	1,680
Livestock	do.	780	1,810	2,250	2,550	2,100	1,550
Crops for sale, feed and seed	do.	250	700	850	760	860	780
Total cash receipts	Dollar	1,481	4,109	5,201	5,109	4,689	4,878
Tobacco	do.	935	2,742	3,388	3,565	3,280	3,509
Livestock	do.	293	879	1,164	926	808	842
Livestock products	do.	157	444	606	582	569	493
Other, including Government payments	do.	96	44	43	36	32	34
Total cash expenditures	Dollar	695	1,776	2,193	2,322	2,261	2,387
Feed purchased	do.	75	210	249	277	187	214
Livestock expense	do.	23	49	54	54	53	57
Crop expense	do.	79	279	351	384	416	444
Machinery	do.	152	402	593	641	662	698
Farm buildings and fences	do.	79	140	157	172	170	158
Hired labor	do.	98	248	243	243	237	249
Cropper labor	do.	70	229	280	272	250	268
General farm and miscellaneous	do.	119	219	266	279	286	299
Net cash farm income	Dollar	786	2,333	3,008	2,787	2,428	2,491
Perquisites for cropper and hired labor	do.	30	85	85	77	74	71
Total value of perquisites	do.	282	689	736	761	738	719
Change in inventory:							
Crops and livestock	Dollar	45	3	-203	138	20	-17
Machinery and buildings	do.	29	90	156	157	122	84
Net farm income	Dollar	1,112	3,030	3,612	3,766	3,234	3,206
Charge for capital	Dollar	382	771	995	1,099	1,074	1,004
Return to operator and family labor	Dollar	730	2,259	2,617	2,667	2,160	2,202
Purchasing power in 1937-41 dollars	do.	730	1,149	1,212	1,223	995	996
Return per hour in current dollars	do.	.25	.79	.92	.92	.78	.77
Index numbers (1947-49=100):							
Gross farm income	Percent	37	100	119	125	113	116
Net farm income	do.	37	100	119	124	107	106
Net farm production	do.	85	100	109	114	109	119
Crop yields per acre	do.	80	100	107	108	107	122
Production per hour of man labor	do.	83	100	111	116	116	123
Production per unit of input	do.	90	100	106	109	104	110
Operating expense per unit of production	do.	47	100	110	110	116	114
Total cost per unit of production	do.	47	100	109	109	116	110
Power and machinery, January 1	do.	67	100	116	131	142	151
Prices received for products sold	do.	43	100	110	109	105	97
Prices paid, including wages to hired labor	do.	46	100	115	117	117	120

1/ Preliminary.

Table 3.- Large tobacco-livestock farms, Kentucky Bluegrass: Organization, production, costs, and returns, 1954 with comparisons

Item	Unit	Average		1951	1952	1953	1954 1/
		1937-41	1947-49				
Land in farm	Acre	173	173	173	173	173	173
Cropland harvested	do.	43	44	43	44	43	43
Plowable pasture	do.	86	83	84	83	84	81
Other land	do.	44	46	46	46	46	49
Crops harvested:							
Tobacco	Acre	7.4	7.4	7.6	7.8	7.2	6.8
Corn	do.	11.1	9.6	8.8	9.3	9.2	9.5
Small grain	do.	9.0	6.2	5.1	6.1	6.9	7.3
Hay	do.	15.2	21.1	21.6	21.2	20.1	19.4
Crop yields per harvested acre:							
Tobacco	Pound	1,023	1,300	1,454	1,467	1,418	1,711
Corn	Bushel	36.4	46.0	43.0	42.0	46.0	39.0
Wheat	do.	16.4	18.3	16.0	21.0	22.0	25.0
Hay	Ton	1.3	1.5	1.3	1.3	1.4	1.5
Livestock on farms, January 1:							
All cattle	Number	10.0	14.0	15.5	16.0	17.5	18.0
Milk cows	do.	4.9	5.8	5.7	5.5	5.5	5.7
Beef cows	do.	.9	2.6	3.4	3.8	4.6	5.3
Sheep and lambs	do.	34.8	23.2	24.2	24.0	24.4	23.9
Chickens	do.	54	53	52	53	52	51
Horses and mules	do.	4.0	3.0	2.4	2.6	2.4	2.3
Pigs raised	do.	15.9	13.6	15.0	12.6	11.7	12.9
Tractors on farm	do.	.18	.41	.60	.65	.69	.72
Total labor used	Hour	5,880	5,430	5,340	5,380	5,190	5,330
Operator and family	do.	3,090	2,930	2,930	3,060	2,980	3,070
Hired	do.	1,390	1,030	950	950	870	880
Cropper	do.	1,400	1,470	1,460	1,370	1,340	1,380
Total farm capital, January 1	Dollar	14,660	28,600	35,240	38,540	36,990	34,870
Land and buildings	do.	12,490	23,530	28,540	31,140	29,930	28,540
Machinery and equipment	do.	650	1,400	2,040	2,420	2,610	2,770
Livestock	do.	1,120	2,580	3,300	3,770	3,100	2,320
Crops for sale, feed and seed	do.	400	1,090	1,360	1,210	1,350	1,240
Total cash receipts	Dollar	2,506	6,646	8,192	8,055	7,528	7,880
Tobacco	do.	1,544	4,413	5,364	5,795	5,332	5,705
Livestock	do.	536	1,547	2,027	1,518	1,389	1,447
Livestock products	do.	213	467	655	562	558	483
Other, including Government payments	do.	213	219	146	180	249	245
Total cash expenditures	Dollar	1,397	3,312	4,015	4,193	4,166	4,386
Feed purchased	do.	113	237	223	247	205	224
Livestock expense	do.	33	67	75	73	74	78
Crop expense	do.	128	452	561	629	691	726
Machinery	do.	297	678	991	1,020	1,045	1,124
Farm buildings and fences	do.	149	276	310	338	335	314
Hired labor	do.	214	470	483	483	471	495
Cropper labor	do.	240	735	893	899	830	885
General farm and miscellaneous	do.	223	397	479	504	515	540
Net cash farm income	Dollar	1,109	3,334	4,177	3,862	3,362	3,494
Perquisites for cropper and hired labor	do.	78	207	210	192	185	177
Total value of perquisites	do.	370	906	981	1,001	972	951
Change in inventory:							
Crops and livestock	Dollar	82	70	-296	185	68	-20
Machinery and buildings	do.	73	169	287	224	181	139
Net farm income	Dollar	1,556	4,272	4,939	5,080	4,398	4,387
Charge for capital	Dollar	689	1,378	1,787	1,970	1,927	1,813
Return to operator and family labor	Dollar	867	2,894	3,152	3,110	2,471	2,574
Purchasing power in 1937-41 dollars	do.	867	1,474	1,459	1,427	1,139	1,165
Return per hour in current dollars	do.	.28	.99	1.08	1.02	.83	.84
Index numbers (1947-49=100):							
Gross farm income	Percent	39	100	116	121	112	116
Net farm income	do.	36	100	116	119	103	103
Net farm production	do.	87	100	107	112	107	117
Crop yields per acre	do.	80	100	106	108	107	123
Production per hour of man labor	do.	81	100	109	113	112	119
Production per unit of input	do.	90	100	104	106	102	109
Operating expense per unit of production	do.	47	100	110	111	117	113
Total cost per unit of production	do.	48	100	111	114	119	113
Power and machinery, January 1	do.	72	100	117	134	144	151
Prices received for products sold	do.	43	100	110	108	105	99
Prices paid, including wages to hired labor	do.	45	100	115	119	118	121

1/ Preliminary.

Table 4.- Area-type tobacco-livestock farms, Kentucky Bluegrass: Organization, production, costs, and returns, 1954 with comparisons

Item	Unit	Average		1951	1952	1953	1954 1/
		1937-41	1947-49				
Land in farm	Acre	110	113	113	113	113	113
Cropland harvested	do.	28	30	30	31	30	30
Plowable pasture	do.	54	54	54	53	54	52
Other land	do.	28	29	29	29	29	31
Crops harvested:							
Tobacco	Acre	5.3	5.3	5.5	5.6	5.2	4.9
Corn	do.	7.7	6.7	6.3	6.5	6.4	6.7
Small grain	do.	5.1	3.5	2.9	3.6	4.0	4.2
Hay	do.	10.3	15.0	15.2	15.4	14.5	14.0
Crop yields per harvested acre:							
Tobacco	Pound	995	1,273	1,430	1,438	1,381	1,670
Corn	Bushel	35.5	44.7	41.7	41.2	45.0	38.0
Wheat	do.	16.4	18.3	16.0	21.0	22.0	25.0
Hay	Ton	1.3	1.5	1.3	1.3	1.5	1.5
Livestock on farms, January 1:							
All cattle	Number	7.2	10.2	11.2	11.5	12.5	12.8
Milk cows	do.	3.9	4.9	4.9	4.8	4.7	4.9
Beef cows	do.	.5	1.5	2.0	2.3	2.7	3.1
Sheep and lambs	do.	21.7	13.9	14.4	14.3	14.3	14.0
Chickens	do.	50	49	48	49	48	47
Horses and mules	do.	3.1	2.7	2.1	2.2	2.0	1.9
Pigs raised	do.	11.3	11.4	12.0	10.2	9.6	10.5
Tractors on farm	do.	.09	.28	.40	.44	.47	.49
Total labor used	Hour	4,380	4,190	4,120	4,130	3,960	4,070
Operator and family	do.	2,930	2,810	2,800	2,870	2,770	2,850
Hired	do.	770	620	550	550	500	510
Cropper	do.	680	760	770	710	690	710
Total farm capital, January 1	Dollar	9,440	19,050	23,350	25,530	24,510	23,060
Land and buildings	do.	7,900	15,370	18,610	20,320	19,530	18,620
Machinery and equipment	do.	440	970	1,390	1,640	1,790	1,900
Livestock	do.	820	1,930	2,400	2,710	2,230	1,660
Crops for sale, feed and seed	do.	280	780	950	860	960	880
Total cash receipts	Dollar	1,687	4,686	5,821	5,709	5,282	5,505
Tobacco	do.	1,065	3,134	3,819	4,077	3,750	4,013
Livestock	do.	335	1,030	1,353	1,019	924	962
Livestock products	do.	162	418	574	524	513	443
Other, including Government payments	do.	125	104	75	89	95	87
Total cash expenditures	Dollar	851	2,118	2,591	2,731	2,679	2,819
Feed purchased	do.	80	189	208	238	160	178
Livestock expense	do.	25	52	58	57	56	60
Crop expense	do.	90	318	397	439	480	506
Machinery	do.	189	470	685	722	745	792
Farm buildings and fences	do.	98	182	203	221	218	204
Hired labor	do.	118	282	281	280	273	288
Cropper labor	do.	111	365	444	443	408	436
General farm and miscellaneous	do.	140	260	315	331	339	355
Net cash farm income	Dollar	836	2,568	3,230	2,978	2,603	2,686
Perquisites for cropper and hired labor	do.	44	127	111	101	97	93
Total value of perquisites	do.	304	753	791	813	788	769
Change in inventory:							
Crops and livestock	Dollar	55	29	-215	123	32	-18
Machinery and buildings	do.	41	111	188	163	131	95
Net farm income	Dollar	1,192	3,334	3,883	3,976	3,457	3,439
Charge for capital	Dollar	445	920	1,187	1,308	1,280	1,202
Return to operator and family labor	Dollar	747	2,414	2,696	2,668	2,177	2,237
Purchasing power in 1937-41 dollars	do.	747	1,228	1,248	1,224	1,003	1,012
Return per hour in current dollars	do.	.25	.86	.96	.93	.79	.78
Index numbers (1947-49=100):							
Gross farm income	Percent	36	100	117	122	112	114
Net farm income	do.	36	100	116	119	104	103
Net farm production	do.	84	100	108	112	107	116
Crop yields per acre	do.	80	100	107	108	106	122
Production per hour of man labor	do.	81	100	110	113	113	120
Production per unit of input	do.	90	100	105	108	102	109
Operating expense per unit of production	do.	47	100	110	112	117	114
Total cost per unit of production	do.	48	100	110	112	118	112
Power and machinery, January 1	do.	70	100	116	132	143	151
Prices received for products sold	do.	43	100	109	108	105	98
Prices paid, including wages to hired labor	do.	45	100	115	118	118	121

1/ Preliminary.